

## BILL SUMMARY

MEASURE: HB 3355 (Committee Substitute)  
AUTHOR: Rep. Terrill  
SUBJECT: Sales Tax Exemptions and Adjustments to Oklahoma Taxable Income  
PROVISIONS:

- Section 1: Amends current statutes by providing a beginning date for application of March 29, 2006, of applications to the Oklahoma Tax Commission for the existing exemption of sales tax on the first \$2,000 each year of sales of tangible personal property or services to, by, or for the benefit of a qualified neighborhood watch organization that is endorsed or supported by or working directly with a law enforcement agency with jurisdiction in the area in which the neighborhood watch organization is located. Qualified neighborhood watch organization means an organization that is a not-for-profit corporation under the laws of the State of Oklahoma, that was created to help prevent criminal activity in an area through community involvement and interaction with local law enforcement and which is one of the first two thousand organizations which makes application to the Oklahoma Tax Commission.
- Extends the current sales tax exemption for admission to a professional athletic event in which a team in the National Basketball Association is a participant to sales of tickets made on or after July 1, 2007.
- Provides a sales tax exemption for 501(c)(3) Organizations whose purpose is to defend and foster Second Amendment rights and certain associated grassroots organizations.
- Section 2: Provides an exemption from sales tax on sales of central office equipment or transmission equipment primarily used by local exchange carriers and competitive local exchange service providers; by franchised cable television operators, mutual companies, municipal utilities, cooperatives, and companies furnishing communications services that are not subject to rate regulation; by long distance companies; or for a commercial mobile radio service as defined in 47 C.F.R., Section 20.3, in the furnishing of telecommunications services on a commercial basis. This section also provides definitions associated with this exemption including the definition of "central office equipment", which means equipment utilized in the initiating, processing, amplifying, switching, or monitoring of telecommunications services.

Also provides an exemption from sales tax on the rental or lease of a motor vehicle to a customer of a licensed motor vehicle dealer whose vehicle is being repaired pursuant to the original product warranty of a manufacturer.

Section 3: Clarifies existing laws and intent by adding any rental agreement that is not subject to sales tax under Article 13 of title 68, Section 2110, to the list subjects to which the rental tax does not apply.

Also provides for a deduction from gross receipts for bad debts allowed for determination of the rental tax. The definition for “bad debts” is the same meaning as defined in Section 1366 of title 68.

Section 4: Provides for adjustments to arrive at Oklahoma taxable income by allowing for taxable years beginning after December 31, 2008, in order to promote personal financial responsibility for long-term health care in this state, a deduction equal to one hundred percent (100%) of all nonreimbursed amounts paid by an individual for qualified long-term care insurance premiums to the extent such amounts are not included in the individual’s itemized deductions. Qualified long-term care insurance means any policy which meets or exceeds the provisions of Section 4424 of Title 36 of the Oklahoma Statutes and the rules promulgated pursuant to such section for long-term care insurance

Section 5: Provides an Effective Date for sections 1, 2, and 3 of July 1, 2008

Section 6: Provides an Effective Date for section 4 of January 1, 2009

Section 7: Declares an Emergency

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DATE: 3-7-08